

4/10/2007

Report of the Marketing and Communications Committee. [All are Board members unless otherwise noted.]

For the Committee, Mrs. Grumbles reported as follows with respect to the proposal, discussed at our last Meeting, that the Landmarks Lounge be renamed the Delta Crown Room:

Management has been searching for an interesting and creative way of enhancing our already substantial relationship with Delta. She then asked Ms. Quiles [Michelle Quiles, Dir. of Marketing & Public Relations] to make a slide presentation, a copy of the slide views of which is attached to and made a part of these Minutes. These slides contained a review of a Delta's present sponsorships and of our other sponsorships, the world of sponsorships today [what Delta receives from other events and venues for which it is a sponsor] and the details of the current proposal with respect to the alteration and renaming of the Landmarks Lounge; benefits to Delta and to the Theatre were described. An explanation was included of the differences between the sponsor's marketing objectives and its public relations objectives.

She then reported that the 2006 revenue from the 21 rentals of the Landmarks Lounge was \$16,000 and its 2005 revenue from the Lounge amounted to \$10,000.

As shown in the slides, the cash request from Delta would be \$55,000 with a fallback figure of \$30,000.

Mrs. Grumbles noted that Delta is important to the Fox, that we need to be careful in our choice of the "right sponsor" and that we need to set a framework as to how we go forward. Our Trustee, Mr. Koonin, sat with her Committee during its deliberations. Mr. Thomas stated that the proceeds of the proposed arrangement would add to our funds for preservation of the Theatre. Mr. Woody White stated that we would be "opening the door" with the acceptance of this proposal and asked how we can document the benefits to the Fox. Ms. Quiles responded that the benefits would be cash or trade. Mr. Allan Vella, General Manager, emphasized that the acceptance of this proposal would enhance our relationship with Delta.

Mr. Foreman expressed his view that, by placing another "brand" in our Grand Lobby, we would be diluting the very "Fox Brand" that Ms. Quiles has been working so hard to promote and that for a survey of which we have agreed to

spend substantial funds. Mrs. Axam feels that this action would not be "giving away" the Fox, and we can always use the money.

Mrs. Erwin [Adina Alford, Assistant Manager] expressed the view that Delta would raise our brand.

Mr. Huntley feels that there would be no dilution; rather he thinks that the airport connection would result in people from all over the world coming to the Fox.

Mr. Carr thinks that the door to the Lounge does not look like the slide and should be cleaned up.

Mr. Allan Vella believes that people are used to coming into one venue and seeing ads for another brand and do not for that reason think any less of the venue they are entering.

Mr. Busby stated that the revised Lounge needs to be in profile with the details we have expressed in the Fox; the entrance can be enhanced with lighting. The coffee bar and the souvenir stands all slow up access to the restrooms and the Landmarks Lounge, so there needs to be a serious reallocation of other facilities in the Lobby. Architecture can support marketing.

Mr. White pointed out that everything we have said speaks from one side of the fence; what would our customers say? Where do we stop? Or do we stop? Mr. Thomas added that we are in control of precedents.

Mr. Hutchison feels that the impact of what we are proposing is at the low end of the spectrum and is far from losing our regard for the Theatre and its history.

Mr. Thomas reminded the Members that we should look at the financial parameters; that 25 free uses is too much. He feels that \$55,000 is a fair charge but that the charge should be higher than \$30,000. He also noted that most of the other benefits we receive from Delta are in kind whereas this payment would be in cash. Ms. Quiles feels that free use once a month should be enough to satisfy Delta.

After full discussion, Mrs. Grumbles moved that Ms. Quiles be authorized to present the proposal to Delta for a charge of \$55,000 but not less than \$40,000; the motion was seconded by Mr. Minnear and passed, with Mr. Foreman voting against. Mr. Allan Vella felt that \$30,000 would be a good price.

It was agreed that drinks could be named for Delta and that this would be full time. Mrs. Axam commented that in looking at, for instance, the Delta International Series, we need another perspective—we may lose money but it brings in patrons—a value beyond money; it is also a marketing tool.

The question was raised as to whether Coca-Cola would object to drinks named for Delta.